

**Internal EPA Evaluation on Planning Improvements:
Regional Plans
National Program Guidance documents
Annual Commitment Process and System**

Evaluation Results

Final Report – February 8, 2005

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I. Executive Summary - Internal EPA Evaluation Findings

This report presents results from an internal EPA evaluation which focused on EPA's efforts to improve and better align regional and headquarters planning processes. The evaluation covered three major topic areas: (1) Regional Plans, (2) FY 2005-2007 national program guidance, and (3) the annual commitment process and system. This report also presents findings on state and tribal involvement in planning processes, and discusses the role of the Office of the Chief Financial Officer (OCFO) in supporting improvements to EPA's planning processes.

- **Regional Plans:** Regional Plans helped regions focus internally, increase dialogue and communication within the region and with states, break down stovepipes, and highlight existing regional priorities and strategies. Senior management involvement enhanced development of Regional Plans.
 - Regional Plans were of limited use to national program offices, although they did allow program offices to strengthen discussion and dialogue with the regions.
 - There is a strong need to clarify the purpose, scope, and focus of the Regional Plans, as well as to build in an evaluation or feedback component. Regional Plans need to be better linked with other national and regional documents and planning activities, including EPA's annual planning and budget process, grants funding, FTE (full time equivalent) decisions, human resource plans, EPA's *Strategic Plan and Report on the Environment*, and performance partnership agreements.
 - There is a need for further education, outreach, and communication about the Regional Plans and planning improvements in general. It is important to send consistent messages from OCFO, national program, and regional management to regional and program staff.
- **National Program Guidance:** The issuance of national program guidance at the same time was a good step in the right direction. More should be done to integrate the guidance documents, with an emphasis on cross-media programs and grant guidance, and to achieve a consistent format and scope.
- **Annual Commitment Process and System:** The annual commitment process and system, despite its newness and associated kinks, was an improvement to the former Memoranda of Agreement (MOA) process, and more inclusive of states and tribes. The system allowed regions and programs to go to one place to review the measures and commitments. There was broad agreement across Agency planners and DRAs that the benefits of the commitment process and system outweigh the costs.
 - Next steps for enhancing the process and system include tracking actual performance against commitments and providing commitment information by state to make the data more meaningful to states. In addition, programs and regions should examine the number and types of measures/commitments in the system to improve the quality and reduce the number.
- **FY 2005 Performance and Accountability Meeting and the FY 2006 Annual Planning Meeting:** Overall the meetings were a venue for information-sharing and face-to-face interaction for regions, states, tribes, and national program offices. The majority of

interviewees thought that the meetings were not very beneficial, and provided insufficient opportunity for discussion of substantive issues.

- Timing: For all EPA planning processes and associated products, there should be plenty of time for review and comment by states and tribes. There should be continued emphasis on early and upfront involvement by states and tribes so that the development of Regional Plans is more collaborative. There is some debate about what should be developed first in EPA's planning process: national program guidance or Regional Plans. Differences between state and EPA planning cycles need to be taken into consideration in identifying how best to engage with state and tribal partners.
- Role of OCFO: OCFO should provide clear, concise, and timely guidance for EPA's planning processes and development of associated products (e.g., Regional Plans, national program guidance, annual commitment process). OCFO should have a more inclusive process for developing its guidance and engage other offices, as appropriate. OCFO should also provide a master timeline that includes important milestones, emphasizes early and ongoing senior management involvement, and encourages feedback loops.

II. Executive Summary - Interview Themes Involving States

- Reflection of state priorities and input in Regional Plans.
 - Most regions (7 of 10) said state and tribal priorities generally correspond with those of the region. Regions pointed out that they typically have ongoing discussions with states and tribes, and that priorities don't change much from year to year.
 - Regions reached out to states in a variety of ways (e.g., mailings, meetings) when developing Regional Plans, but did not receive significant input from the states for a variety of reasons (e.g., information in Regional Plans was not at the state level so there was less interest; Plans were long and relevant information was not easily accessible).
 - States would like to be more involved in the formulation phase of Regional Plans.
 - States were in a reactive mode in (when?) reviewing draft Regional Plans, and didn't have much opportunity to provide input to developing priorities in Regional Plans. Regions working with states through ECOS pilots reported more active state engagement in the development of Regional Plans (although Regional Plans were not the primary focus of the pilots).
- Regional benefit from discussions with national programs, regions, states, tribes at the FY05 Performance and Accountability Meeting and the FY06 Annual Planning Meeting.
 - State participation at these meetings did not influence the development of Regional Plans, regional priorities/processes, or national program guidance documents.
 - Discussions helped build relationships and supported information-sharing on priorities and strategies but did not result in significant changes.
- Effects of the annual commitment process on the development of regional performance commitments, consideration of priorities, and allocation of resources.

- States would find it more meaningful if they could see regional performance commitments broken out by state.
- States were often not engaged soon enough to influence the negotiation of regional performance commitments. The process did not afford sufficient time for state involvement.
- State input to national programs. States engaged more with regions than with national program offices in EPA's improved planning processes (e.g., Regional Plans, national program guidance, annual commitment process and system). States typically engage with the regions via grant issues and influence changes through other mechanisms.
- Outreach to states
 - States would like better opportunities to influence EPA's planning processes and budget decisions, but EPA and state planning and budgeting cycles are typically not compatible, which causes problems. States would like a greater opportunity to impact strategic planning at the national level.
 - States would like to engage more in the development of regional priorities and strategies and need more time to review draft Regional Plans and national program guidance documents. States also need more time to review and comment on draft annual regional performance commitments.
 - The timing of development of and review and comment on Regional Plans, national program guidance documents, and draft regional performance commitments made it difficult for states to engage in EPA's planning processes.

III. Background

Over the past few years, EPA managers and staff have worked to sharpen their focus on the environmental outcomes the Agency wants to achieve and to improve the way EPA manages its work to accomplish environmental and human health protection results. As a part of this effort, the Agency has looked for ways to improve its planning and priority-setting—both in terms of its annual planning and longer-range strategic planning. EPA has focused on improving collaboration and engaging regions, states, and tribes in the earliest stages of planning; developing a single, coordinated planning process; identifying the highest priorities at the national program and regional levels; minimizing transaction costs for participants; and making the Agency's planning processes as open and inclusive as possible. As a result, the Agency has implemented a number of significant changes to its planning, budgeting, and accountability processes: these include preparing Regional Plans, taking a new approach to national program guidance, developing a new annual commitment system for negotiating regional performance commitments, and conducting state-EPA pilot projects to strengthen joint planning and priority-setting capabilities.

In fall 2004, EPA's OCFO and the Environmental Council of the States (ECOS) conducted two separate, but related, evaluations of these planning reforms to assess their effectiveness in streamlining the Agency's internal planning processes, improving state-EPA planning, and strengthening performance partnerships.

- OCFO conducted an internal Agency evaluation, focused on EPA's efforts to improve and better align regional and headquarters planning processes. The internal evaluation covered three major topic areas: (1) Regional Plans, (2) FY 2005-2007 National Program Guidance, and (3) the annual commitment process and system.
- The ECOS-EPA Alignment and Performance Partnership Agreement Work Group evaluation focused on state-EPA efforts to align state and EPA planning processes, promote joint planning and priority setting, and strengthen performance partnerships.

This report presents the results of the internal evaluation. It discusses evaluation findings related to Regional Plans, national program guidance, and the annual commitment system. It also presents perspectives from EPA interviewees on state and tribal involvement in the planning process, particularly in terms of state and tribal participation in EPA's FY 2005 Performance and Accountability Meeting (March 2004) and FY 2006 Annual Planning Meeting (May 2004). This report also includes suggestions offered on the role of OCFO in providing guidance and supporting improvements to EPA's planning processes.

The results of the joint state-EPA evaluation are detailed in a separate December 2004 document entitled, "*ECOS-EPA Alignment-PPA Work Group Evaluation Results*," which is available at <http://www.ecos.org/>.

IV. Methodology

The internal EPA evaluation results are based primarily on approximately 45 interviews that were conducted in September and October 2004 with EPA managers and staff in ten regions and five national programs. Regional interviewees included the Deputy Regional Administrator (DRA), a senior regional planner, and a regional program manager. National program office interviewees in the offices of Air and Radiation (OAR), Enforcement and Compliance Assurance (OECA), Water (OW), Solid Waste and Emergency Response (OSWER), and Pesticides, Prevention, and Toxic Substances (OPPTS) included the Deputy Assistant Administrator (DAA) or equivalent, a senior planner, and a program contact for each office. Interviews focused on EPA program and regional office efforts to implement planning process improvements and the extent to which improvements affected planning, budgeting, and accountability. In addition to interviews, the evaluation also included the review and analysis of the Regional Plans and national program guidance documents for additional context for interview results.

V. REGIONAL PLANS

EPA regional offices began developing Regional Plans in 2003, consulting their state and tribal partners to varying degrees. In April 2004, regions completed draft "Strategies" sections of their plans, which described how the region planned to make progress toward the long-term goals and objectives presented in EPA's *2003-2008 Strategic Plan*. Several Regional Plans also

highlighted unique regional (and, in some cases, state and tribal) environmental conditions and problems and described the strategies and tools that would be employed to address them. The priorities and strategies outlined in Regional Plans were intended to provide the basis for determining and justifying the region's annual performance commitments, discussed on page 12. Draft Regional Plans were completed and issued prior to development of draft national program guidance documents. This sequencing provided national program managers the opportunity to consider regional priorities, unique regional conditions and problems, specific regional needs, and innovative regional implementation strategies and approaches as they developed and finalized national program guidance.

Evaluation Findings:

- 1. Regional Plans helped regions focus internally, increase dialogue and communication within the Region and with states, break down stovepipes, and highlight existing regional priorities and strategies. Regional Plans were of limited use to national program offices, although they did allow program offices to strengthen discussion and dialogue with the regions.**
 - All regional interviewees reported at least some benefits from developing a Regional Plan. Many regional interviewees stated that they expect to use the Regional Plans as a management tool, but said it was too early to tell how well this will work. Interviewees in two regions said that they used the Regional Plan in conjunction with an annual operating plan for an overall picture of the Region's work.
 - Some regional interviewees said that their states mentioned that the Regional Plans did not seem to influence national program planning processes. Some were also skeptical about the extent to which the Plans would influence national programs. This perception was reinforced by the lack of meaningful feedback to the regions from national program offices about the Regional Plans.
 - National program office interviewees identified a few key reasons as to why the Regional Plans were not useful: the timing for review of Regional Plans was insufficient; the Plans were too long; and the Plans included little that was new and different concerning region-specific priorities and strategies at a level of specificity that could be used in the development of national program guidance. National program planners seemed to review their relevant portions of the Regional Plans with an emphasis on regional priorities and strategies that might conflict with national priorities and thereby require resolution. National program division directors and DAAs seemed to be less aware of the Regional Plans and dealt with them as issues were raised.
 - Only interviewees from one national program office noted a specific example of changing the draft program guidance based on input from the Regional Plans.
 - Respondents from two other national program offices mentioned including references to regional strategies in their national program guidance documents.
 - Document review results indicated that while national program guidance documents referenced Regional Plans to varying degrees, the information was not

well integrated into the body of the national program guidance documents, and did not seem to affect national program directions.

- Several regional interviewees indicated the desire for a more collaborative process of working with states in developing Regional Plans, while national program office interviewees wanted to have a more collaborative process working with the regions in developing the Plans. Everyone seemed to feel this year's process was too reactive and rushed.

*"The concept is to demonstrate to national programs that this is work that needs to be done."
– DRA*

"Now that we understand the commitment process, the Regional Plans may be more useful, but based on the past year they were the weakest link in the process." – DAA

"There was not much opportunity to be strategic... Once we budget for NPM priorities, there are no resources left to be creative." – DRA

2. There is a strong need to continue to clarify the purpose, scope, and focus of the Regional Plans, as well as to clarify expectations for assessing progress against the Plan. Regional Plans need to be better linked with other national and regional documents and planning activities, including EPA's annual planning and budget process, grants funding, FTE decisions, human resource plans, EPA's *Strategic Plan*, the *EPA Report on the Environment*, performance partnership agreements, and other work plans.

- Some regional interviewees wanted to emphasize more region-specific strategies and tradeoffs (as well as state priorities in more detail) in the Plans, while others wanted to align regional priorities and strategies with those of the national programs.
 - Many interviewees noted that the final Regional Plans were too long, and expressed an interest in having a more consistent and concise format.
- National program office interviewees generally expressed preferences for either seeing Regional Plans reflect regional exceptions or additions to national goals, or for seeing regional priorities and strategies more completely reflect the Agency's strategic architecture (e.g., Regional Plans address each strategic target and sub-objective in EPA's *Strategic Plan*).
- A few regional staff perceived that the development of Regional Plans was to have followed a "bottom-up" approach, but viewed the process as being "top-down": that headquarters set priorities at the national level (through the national program guidance documents) and regions mirrored those priorities in their Regional Plans.
- Regional interviewees differed in their views about when or whether to make changes to the Regional Plan outside of the Agency's 3-year strategic planning cycle. Interviewees in several regions regarded their Regional Plan as a living document, whereas others saw

their Plan as a roadmap for the next 3-5 years that should not be changed unless there is a major event that dictates a change in their priorities or strategies. Interviewees from only two regions specifically mentioned the inclusion of evaluation components in their Regional Plans. This implies that there may not be clear or consistent ideas among regional interviewees about conditions or approaches for revising Regional Plans.

- Regional interviewees reported varying levels of engagement of states and tribes in developing Regional Plans, with a range of results from the engagement. Interviewees from regions working with states through ECOS pilots (please refer to the background section for more information about ECOS pilots) reported more active state engagement in the development of the Regional Plans.
 - Some regional interviewees speculated that a lack of interest from states and tribes may have been because information in the Regional Plans was not at the work-planning level. Some regional staff noted that while most states' priorities did not conflict with regional priorities, the region's priorities and strategies are not necessarily the same ones that the states would have identified for themselves.
 - Some regional interviewees also noted that states and tribes were more engaged in developing the PPA, PPG, or Tribal Environmental Agreement (TEA) than the Regional Plans. This was in part due to the timing of the planning cycles.
 - Document review results indicated that fewer than five Regional Plans demonstrated a significant difference in the level of state and tribal involvement between the draft and final Regional Plans (published in January and April, respectively). However, this measure does not reflect new or different state and tribal engagement that may have taken place during the development of the draft Regional Plans.

<p><i>“The national guidance just ignores some of our unique Regional things, and we get a chance to not ignore them with the Regional Plan.” – Regional program manager</i></p>
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3. Senior management involvement enriched the process and contributed to the development of a Regional Plan that was more meaningful to regional staff and managers.

- DRAs were involved in the development of the Regional Plans to varying degrees. Some DRAs created new internal structures or wrote or rewrote sections of the Plan, while other DRAs played a less hands-on role.
- In regions where senior leadership was not perceived to be actively engaged, or where managers and staff did not take as much ownership of the process, there seemed to be more of an attitude of “following headquarters” rather than a more dynamic process of developing regional priorities and strategies.

- In regions where state commissioners were more engaged and supportive, regional managers and staff felt more satisfied that their Regional Plan reflected state input. Interviewees from about half the regions said state and tribal priorities were reflected well in their Regional Plan, while half said state and tribal priorities were less well reflected, despite steps taken to engage states and tribes. Interviewees from two regions noted that their efforts to engage the tribes were less successful than their efforts to engage with states.

“My role was to send a strong message to Region [x] that we will develop a Regional Plan not out of requirement, but as a benefit to our Region. I stressed that the Regional Plan will allow us to determine where the Region’s priorities are, decide where we can disinvest resources, and identify unique regional priorities.” – DRA

“It seems like the Agency has exploded this whole planning concept, and we’ve got a lot of different things going on. It’s confusing people; it’s confusing the states.” – DRA

4. There is a need for further education, outreach and communication about the Regional Plans and EPA planning process improvements in general. It is important to send consistent messages from OCFO and national program and regional management to program and regional staff.

- Senior regional managers were often heavily engaged in writing or guiding the development of Regional Plans, but there was not as much of a sustained effort to keep senior and mid-level national program managers aware of the efforts to develop Regional Plans and associated implications for the program.
- There is still a lack of awareness about Regional Plans in national program offices beyond the planners and the DAAs. Almost all national program managers and staff who were aware of the Plans said that the Plans were not very useful, and that managers were not using the Regional Plans as a management tool or as a resource.
- Internal communication was not mentioned as a theme by many interviewees. Interviewees from only one region said they were developing an outreach plan for their region’s staff about their Regional Plan.
- Interviewees from several regions said that regional program staff received mixed messages from national program offices and regions about the content of the Regional Plans. Regional interviewees indicated that there was an unsatisfying feedback loop from national program offices to the regions about the Regional Plans. There was a mix of responses from regional staff about whether the national programs had read parts or all of the Regional Plans. National program offices used different mechanisms to give comments to the regions, but none reported giving substantive feedback.
 - Some national program interviewees were not satisfied with the extent to which their guidance referenced the Regional Plans, although it was unclear whether this was because the Regional Plans generally did not include sufficiently useful

information, the timing of the process was rushed, or because they themselves did not reference regional strategies as much as they might have. National program interviewees attributed the alignment of regional and national priorities and strategies to engagement with states and regions throughout the planning process, and not to consultation in the development of the Regional Plans.

- Regional interviewees frequently cited the Office of Air and Office of Water guidance documents as having referenced the Regional Plans to a more satisfactory degree than other national programs. Document review results indicated this as well.

“There’s a chronic issue running in the background – the attitude of, ‘You guys [planners] have great plans, nice processes, but I have real work to do; when I get done with this I can work on this stuff you guys are talking about.’ Program folks don’t necessarily think all this is critical.”
– Regional planner

“One drawback is that by reaching out to the states and tribes, we may have raised their expectations on getting their input into the Regional Plan. Without a meaningful way to translate their priorities into the Regional Plan, we failed to deliver on those expectations.”
– DRA

VI. NATIONAL PROGRAM GUIDANCE

EPA’s national program offices—Air and Radiation; Water; Solid Waste and Emergency Response; Prevention, Pesticides, and Toxic Substances; and Enforcement and Compliance Assurance—issue guidance to set out national priorities, strategies for achieving program goals, and expectations for regional performance.

In 2004, EPA made several important changes in its approach to developing national program guidance. First, national program managers developed their guidance for a 3-year period, to be consistent with timeframes established in the Agency’s *Strategic Plan*. In preparing their guidance, national program managers were encouraged to take advantage of the availability of newly-drafted Regional Plans, and any particular regional, state, or tribal concerns and priorities or implementation strategies presented in the plans that could inform national approaches. National program managers were also urged to include draft measures, affording regions, states, and tribes an opportunity from the outset to participate in identifying performance goals and measures, setting targets, and determining annual regional commitments. For the first time, OCFO made the draft national program guidance available on EPA’s Internet site for regional, state, and tribal review and comment. Some national program managers also invited state environmental professional associations and ECOS to provide feedback on the draft national program guidance documents. Finally, the Agency synchronized its development and issuance of national program guidance to release all of the guidance at once. This timing was intended to mesh as efficiently as possible with state, tribal, and regional planning processes and to allow senior regional, state, and tribal managers to consider proposed priorities, strategies, and performance measures for all five programs at once, in a more streamlined process.

Evaluation Findings:

1. Issuing national program guidance at the same time was a good step in the right direction. More should be done to integrate the guidance documents, with an emphasis on cross-media programs and grant guidance.

- Most interviewees appreciated the symbolism of the synchronized release of the draft and final national program guidance documents, and said that issuing guidance on a synchronized schedule helped to enforce deadlines, focused more attention to the measures, and facilitated conversations about long-standing unresolved issues. Many interviewees noted that sending the guidance documents out at the same time did not go far enough, and stressed the need for more integration, cross-fertilization, and coordination with the Grants Office to make the guidance more comprehensive.
- A few regional interviewees said that regional and state staff noted that the national program guidance documents appeared to contradict each other, which was both confusing and embarrassing for the regions. Unfortunately, interviewees did not provide specific examples to illustrate the perceived contradictions.
- Document review results indicated that national program guidance documents tended to be written with an annual (as opposed to a 3-year) emphasis.
- Generally, regional interviewees would like the national program guidance documents to include: 1) a discussion of how issues involving measures, commitments, priorities, or strategies could be resolved; 2) a more explicit process for regions to raise alternatives to national program strategies for inclusion in guidance documents; and 3) more discussion of the national programs' top priorities and opportunities for tradeoffs.
- Regional interviewees would like national program guidance documents to be more user-friendly, including a shorter, more consistent format, more succinct discussion of data, and the identification of the top few national priorities. This would promote better communication and understanding of the information, which could lead to more strategic thinking about trade-offs. A few regional staff suggested that the guidance documents be written by goal rather than by office.
- Regional interviewees thought that national program offices should make regional and state staff more aware of the national program guidance and encourage their review and comment. Several regional interviewees also noted that states and tribes needed more time for review and comment.
 - A few regional interviewees specifically said that they wanted an opportunity to review the measures in the national program guidance, and were unaware that this opportunity existed. Some national program interviewees specifically noted that they already had a process to discuss measures with regions, states, and tribes.

- Regional interviewees also had mixed views about whether draft national and regional targets should be included in national program guidance documents, as the Office of Water did with its guidance.

“The guidance is very complex and voluminous – beyond individual media guidance – this year [FY 2006] they [the national programs] should give 5 priority areas and give details inside...”
– DRA

“With Water we [the regional program managers] had straw targets before we got there [to the states], and for other programs we came with a blank slate. And these are very different positions. With Water we already knew what we were committing to, so that was a benefit. On the flip side – it seems like I already know what I’m asking of [the states] and it’s more prescriptive, although Water did show flexibility. The other way is more open to state flexibility.” – Regional program manager

“Water’s guidance was especially useful. It’s all based on measurable results; there’s no wishy-washy narrative; and everything has a metric associated with it and it’s all fairly clear.”
– Regional program manager

“A lot of effort goes into creating the documents, but I am not sure it’s worth it – they are not the Bible. I don’t know how to get the word out about the national program guidance, but I know now that people don’t read it, and they certainly don’t use it as a guide for their everyday decisions.” – Regional Program manager

“The goal of this project was to streamline them [the commitments]. Some programs went too far, and some didn’t go anywhere.” – Regional planner

VII. ANNUAL COMMITMENT PROCESS AND SYSTEM

Beginning in summer 2004, EPA regions and national program offices used a new annual commitment system to negotiate and agree on annual regional performance commitments consistent with the Agency’s *Strategic Plan* and Regional Plans. The computerized system allowed national program managers and regions to enter annual commitment information and arrive at mutually agreed-upon targets. Also, for the first time states and tribes could view regional commitment information in one place. Some regions also used the system to provide information on state-specific contributions to draft targets. The annual commitment system offered regional managers the ability to consider resource commitments across all five national programs at one time. This approach to determining annual commitments has replaced the Agency’s former, paper-intensive Memorandum of Agreement (MOA) process.

Evaluation Findings:

- 1. There is general agreement that the annual commitment system, despite its newness and associated “kinks”, was an improvement to the former Memoranda of Agreement (MOA) process, and more inclusive to states and tribes. The system allowed regions and program offices to go to one place to review the measures and commitments. The interviewees who were asked about the costs and benefits of the commitment process and system generally agreed that the benefits outweighed the costs.**
 - Many interviewees believed that the system increased transparency, reduced paper load, and is more comprehensive and streamlined than the prior MOA process.
 - Several national program interviewees noted that the system increased accountability by helping national program offices identify gaps in current measures.
 - Many interviewees noted that the system enhanced communication among regions, states, tribes, state and national associations, and national program offices to a greater degree than in past years. Some interviewees liked the level of detail in the system, and some also found that the process included more opportunities for feedback.
 - While there were some transaction costs associated with this new annual commitment process and system, most interviewees believed that those costs were attributable to the newness of the system, and were the same or lower than the MOAs of the past.
- 2. There was broad agreement that the next steps for enhancing the annual commitment process and system include using it to track actual performance against commitments, and to provide commitment information by state (instead of regional aggregate numbers), which would make the system more meaningful to states. In addition, programs and regions should examine the number and types of measures/commitments in the system to improve the quality and reduce the number.**
 - Interviewees expressed interest in examining whether the national programs’ measures are the right ones to be tracking, in part because the number and quality of the measures varied significantly from program to program.
 - Several national program office interviewees raised the issue of whether targets in the commitment system should be “stretch” goals or “realistic” goals in terms of balancing accountability with the desire to push and manage a program.
 - Interviewees suggested that the national program managers should minimize the number of measures and make the remaining measures clearer. Some regional staff would like to see more emphasis on outcome measures (as opposed to outputs or activities) in the annual commitment system. Some national program managers would like to see individual annual performance commitments tied more closely to the strategic architecture in EPA’s *Strategic Plan*.

- Suggestions for improving the system included increasing system access (getting more people into the system), increasing the narrative fields to allow for more context, and improving reporting capabilities (making reports that are more user-friendly and condensed).
- Regional interviewees reported that states would find the system more meaningful if information was available at the individual state level. Several regions took the step of providing this information for their states this year, but would prefer that the system be used to provide the information. *(Note: Currently the annual commitment system has the capability to provide information on an individual state basis, although some Regions may not have been aware of this capability.)*

“The annual commitment process has greatly enhanced our ability to set regional performance commitments, thanks to the centralization of the process and everything being done at the same time.” – DRA

“The process was a good thing for me, and I think the RA would agree. With this I could be more engaged as negotiations went on – as opposed to the MOA process which was a fait accompli.” – DRA

“With the new standardized annual commitment process, things are much more efficient, visible. Unfortunately, the annual commitment process came out at the same time as the SES performance process. As a result, the commitment process has become very conservative. Regions are no longer willing to go out on a limb....” – DAA

*“The inequity of the numbers of measures by the different NPMs is very frustrating. OECA has so many commitments the system is ‘...a lot of trees but no forests situation.’”
– Regional program manager*

*“At first I was a bit skeptical, but the more progress I see, the better I feel about it. Now, OCFO is working on oversight to hold the regions accountable, which is a very important step. Accountability is key if we want to meet the goals set forth in the Strategic Plan.”
– Headquarters planner*

VIII. ACCOUNTABILITY AND PLANNING MEETINGS

As a part of its effort to expand opportunities for regional, state, and tribal participation in the earliest stages of its planning process, in 2004 EPA invited state and tribal representatives to attend two meetings with senior Agency managers on planning, budgeting, and accountability issues. During EPA’s FY 2005 Performance and Accountability meeting, held on March 8, 2004, national program and regional managers discussed translating longer-term planning and budget priorities into operations for the upcoming fiscal year. The newly-released draft national program guidance and draft Regional Plans provided the context for the meeting. State and tribal

representatives were invited to share their feedback on the draft national program guidance and on their experience with the Agency in developing draft Regional Plans.

In May 2004, state and tribal representatives were invited to attend EPA's FY 2006 Annual Planning Meeting to discuss potential priorities for FY 2006 that strengthen the Agency's ability to meet its strategic objectives. The Planning Meeting also provided a forum for the Agency's full leadership team and states and tribes to discuss potential cross-goal strategies and supporting program priorities.

Evaluation Findings:

1. Overall the March and May meetings were a venue for information-sharing and face-to-face interaction for regions, states, tribes, and national programs. However, the majority of interviewees thought the meetings were not very beneficial and provided insufficient opportunity for discussion of substantive issues.

- Positive comments included the benefits of learning about regional priorities, program directions, and homeland security issues.
- Interviewees had mixed opinions about the value added by states and tribes in the meetings; some felt it was good to have states and tribes at the meetings, while others felt the presence of states and tribes limited the discussions to non-controversial issues.
- Future meetings could be more useful by:
 - Focusing on key issues, such as budget implications and trade-offs, and encouraging more dialogue and debate, as well as sharing best practices across programs.
 - Giving regions a larger role, and possibly holding a regional pre-meeting.
 - Holding an EPA internal "working meeting" before involving states and tribes.
 - Holding a mid-year review meeting instead of the Performance and Accountability meeting.
 - Merging the functions of the meetings and holding one meeting earlier in the year.

IX. TIMING OF KEY ELEMENTS AND PRODUCTS OF EPA'S PLANNING PROCESS

- 1. For all EPA planning processes and associated products, there should be plenty of time for review and comment by states and tribes. There should be continued emphasis on early and upfront involvement by states and tribes so that the development of Regional Plans is more collaborative. There is some debate about what should be developed first in EPA's planning process: national program guidance or Regional Plans. Differences between state and EPA planning cycles need to be taken into consideration in identifying how best to engage with state and tribal partners.**

- States have different fiscal years from EPA (and from each other) and negotiate grants at different times, all of which complicates the states' ability to engage in a meaningful way in EPA's annual commitment process. Ideally, some interviewees thought engagement on regional performance commitments should take place at the same time as state grant negotiations, while other regional interviewees thought the annual commitment process should begin earlier in the year to allow adequate time for engagement with states and tribes, and to make the process less hurried. Several regional interviewees emphasized the importance of avoiding duplicative discussions with states and tribes. It is important for national program managers to communicate their expectations to regions early enough for the regions to coordinate with their states.
- During the cycle discussed in the interviews the Regional Plans were drafted before the draft national program guidance documents were released. There was some debate as to whether Regional Plans should continue to be drafted first in future cycles or whether draft national program guidance should be issued prior to Regional Plans. Some regional interviewees liked developing Regional Plans prior to issuance of draft national program guidance documents, which some perceived as an "encumbrance." Other regional interviewees wanted to see national program priorities and emphases in the national guidance documents before drafting the Regional Plan. National program interviewees generally wanted the regions to draft the Regional Plan after reviewing the national program guidance documents.
- Interviewees from one region recommended that each region have an annual meeting with states and tribes and dedicate part of it to a discussion of planning and alignment. This would help bring issues on priorities and commitments to the forefront.
- Almost all interviewees said the issuance of draft and final national program guidance on a synchronized schedule helped to enforce deadlines and encourage more dialogue between national program offices and regions, as well as between regions and states and tribes.

X. THE ROLE OF THE OFFICE OF THE CHIEF FINANCIAL OFFICER (OCFO)

The findings in this section reflect the input of interviewees about the appropriate role of OCFO, both generally and with respect to Regional Plans, national program guidance documents, and the annual commitment process and system.

- OCFO should provide clearer, more concise, and timelier guidance for EPA planning processes and development of associated products. OCFO should also have a more inclusive process for developing guidance.

- OCFO should provide a master timeline that includes important milestones.
 - OCFO should encourage the development and use of feedback loops.
 - OCFO should encourage early and ongoing senior management involvement throughout EPA's planning processes, paying equal attention to internal and external customers.

Regional Plans:

- OCFO should take more of a leadership role in reinforcing and communicating the Regional Plans' purpose and format.

National Program Guidance documents:

- OCFO should take a more proactive role in examining the connections and overarching themes in the different guidance documents.
- OCFO should promote the clear and concise identification of national program priorities, as well as encourage the consideration and inclusion of multi-media approaches within the guidance documents.

Annual Commitment Process and System:

- OCFO should clarify the purpose of the annual commitment system, the audience that it is intended to serve, and how measures in national program guidance documents relate to the annual commitment process.
- OCFO should play a stronger role in setting and overseeing deadlines in the commitment process, coordinating the process with the grants office, and making sure that commitments are consistent with the Agency's Annual Plan and Budget. Some planning staff stressed that OCFO should "own" the annual commitment system rather than function as a system operator.
- OCFO should encourage greater consistency among national programs on the number of commitments, level of detail of commitments, and the extent to which measures are outcomes, not outputs.
- OCFO should investigate serving as a mediator to resolve issues that impeded agreement on commitments between programs and regions. Some interviewees would like OCFO to lay out a more explicit dispute resolution process for the annual commitment process.